



**CITY OF LODI
COUNCIL COMMUNICATION**

M

AGENDA TITLE: Adopt a Resolution Directing the Mayor to Endorse a Letter from the Northern California Power Agency to the Governor of California to Support Establishment of a 33% Renewable Portfolio Standard for All Electric Utilities in the State (EUD)

MEETING DATE: August 20, 2008

PREPARED BY Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution directing the Mayor to endorse a letter from the Northern California Power Agency (NCPA) to the Governor of California to support establishment of a 33% Renewable Portfolio Standard (RPS) for all electric utilities in California.

BACKGROUND INFORMATION: Current state law requires all publicly owned electric utilities to adopt and implement a renewable energy target of at least 20% by 2010. In compliance, the Lodi City Council previously established an RPS of 20% through Resolution No. 2003-71 on April 16, 2003. Today, Lodi's power supply mix is about 25% renewable when qualified small hydro is included and approximately 50% renewable with large hydroelectric energy in the mix. (The State's definition of renewable energy excludes large hydro.)

There is significant pressure in the state to increase the RPS. The Office of the Governor has released a document titled "Guiding Legislative Principles to Achieve 33% Renewables by 2020. We are told the Governor intends to make a late-session legislative push to place such an increased standard into law. A part of the rationale for action at this time may be the initiative (Proposition 7) that has qualified for the November 2008 ballot to increase RPS to 40% by 2020 and 50% by 2025. Many feel this is a flawed initiative and one which is overly prescriptive on publicly owned utilities like Lodi Electric utility.

The purpose of the attached letter, which would be sent to the Governor by the Northern California Power Agency with endorsement by the leaders of NCPA members, is to (i) support establishment of an increased RPS target of 33% by 2020 and (ii) request that local agencies be given flexibility to implement such a target through local decision-making instead of state direction.

The City Council's endorsement of the attached letter is requested

FISCAL IMPACT: None

FUNDING: Not applicable


George F. Morrow
Electric Utility Director

APPROVED: 
Blair King, City Manager

August __, 2008

The Honorable Arnold Schwarzenegger
Governor, State of California
State Capitol Building
Sacramento, CA 94249

Dear Governor Schwarzenegger,

The Northern California Power Agency (NCPA) and its member communities across Northern California have a long tradition of leadership in the investment in renewable energy resources. We attribute that strong record of achievement to publicly owned utilities' long-held ability to retain local authority to meet the goals of the communities they serve, as well as those of both the State Legislature and your office.

NCPA is a nonprofit California joint powers agency established in 1968 to generate, transmit, and distribute electric power to and on behalf of its seventeen member utilities. Together, we serve nearly 700,000 electric consumers in Central and Northern California and approximately 3.2 percent of the state's electricity load.

NCPA is supportive of a 33% statewide Renewable Portfolio Standard (RPS) target for all state utilities, provided that the authority over, and oversight of, the RPS program remains— as is now the practice— with the local governing boards and elected officials who are directly accountable to their residents and community. **Our strong and effective record on renewable energy provides no basis for further state intrusion on local government authority.** In fact, publicly owned utilities' success in growing our supplies of renewable energy and keeping greenhouse gas (GHG) emissions low is directly attributable to our ability to make locally tailored renewable energy decisions that allow communities to determine for themselves the most effective path to meeting the state's renewable energy targets that reflects the unique meteorological, geographical, and demographical aspects of our communities.

To that end, each NCPA member community has formally adopted aggressive RPS targets, and are in most instances already exceeding the state average RPS numbers. Collectively, NCPA members are already above the 20% RPS threshold, and many individual NCPA member utilities already have California-eligible RPS levels that exceed a 33% threshold.

The ability of California's public power utilities, including NCPA's members, to create community-specific RPS programs has resulted in publicly owned utilities making greater progress toward achieving the state's renewable energy and GHG reduction goals – at lower cost to electricity consumers –than would be possible with a "one-size-fits-all" mandate. Each community-owned public utility is unique, and we see this great diversity is an asset to the state's effort to maximize the use of renewable energy to help achieve the state's overall goal of reducing GHG emissions.

Northern California's public power systems and their governing boards are committed to doing their part to meet the energy needs of their communities as well as those of the State of California. Both collectively and individually, NCPA's members— through aggressive and forward-looking energy efficiency programs and new continuing investment in renewable energy sources— are leading the way in meeting the goals of AB 32. We look forward to continuing our work with you and your office to achieve these goals.

Sincerely,

RESOLUTION NO. 2008-165

A RESOLUTION OF THE LODI CITY COUNCIL DIRECTING THE MAYOR
TO ENDORSE A LETTER FROM THE NORTHERN CALIFORNIA
POWER AGENCY TO THE GOVERNOR OF CALIFORNIA TO SUPPORT
ESTABLISHMENT OF A 33% RENEWABLE PORTFOLIO STANDARD
FOR ALL ELECTRIC UTILITIES IN THE STATE

WHEREAS, current state law requires all publicly owned electric utilities to adopt and implement a renewable energy target of at least 20% by 2010; and

WHEREAS, in compliance, the Lodi City Council previously established a Renewable Portfolio Standard (RPS) of 20% through the adoption of Resolution No. 2003-71 on April 16, 2003; and

WHEREAS, Lodi's power supply mix is about 25% renewable when qualified small hydro is included and approximately 50% renewable with large hydroelectric energy in the mix (the State's definition of renewable energy excludes large hydro); and

WHEREAS, there is significant pressure in the state to increase the RPS, whereby the Office of the Governor has released a document titled "Guiding Legislative Principles to Achieve 33% Renewables by 2020; and

WHEREAS, the purpose of the attached letter, which would be sent to the Governor by the Northern California Power Agency with endorsement by the leaders of the Northern California Power Agency (NCPA) members, is to (i) support establishment of an increased RPS target of 33% by 2020 and (ii) request that local agencies be given flexibility to implement such a target through local decision-making instead of state direction.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby directs the Mayor to endorse a letter from the NCPA to the Governor of California to support establishment of a 33% RPS for all electric utilities in California.

Dated: August 20, 2008


I hereby certify that Resolution No. 2008-165 was passed and adopted by the Lodi City Council of the City of Lodi in a regular meeting held August 20, 2008, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Johnson, Katzakian, and
Mayor Mounce

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


RANDI JOHL
City Clerk

Jennifer Perrin

From: Randi Johl
Sent: Thursday, August 21, 2008 9:51 AM
To: George Morrow (Lodi EUD); Blair King
cc: Larry Hansen; Jennifer Perrin
Subject: RE: FYI -- NCPA Letter to Governor on Proposed 33% RPS (Green Power) in 2020

Thanks George - we will hold the letter in a suspense file until such time as it is needed.

Randi

From: George Morrow (Lodi EUD)
Sent: Thursday, August 21, 2008 9:34 AM
To: Blair King
Cc: Randi Johl; Larry Hansen
Subject: FYI -- NCPA Letter to Governor on Proposed 33% RPS (Green Power) in 2020

I spoke with NCPA this morning regarding the Mayor's execution of the above letter which was approved last night by the City Council.

The latest news is that it appears that the proposed legislation that the letter references will be not introduced in the current State legislative session due to the effort being directed at resolving the budget stalemate.

NCPA expects that the legislation will be introduced early in the next legislative session, however, and the letter may be "dusted off" at that time.

If anything changes on this subject, I will let you know.

George F. Morrow, Director

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Lodi, CA 95242
(209) 333-6828
(209) 329-4058 (cell)
(209) 333-1299 (fax)
gmorrow@lodielelectric.com

CITY COUNCIL

JOANNE MOUNCE, Mayor
LARRY D. HANSEN,
Mayor Pro Tempore
SUSAN HITCHCOCK
BOB JOHNSON
PHIL KATZAKIAN

CITY OF LODI

CITY HALL, 221 WEST PINE STREET
P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 333-6702 / FAX (209) 333-6807
www.lodi.gov cityclerk@lodi.gov

BLAIR KING, City Manager
RANDI JOHL, City Clerk
O. STEPHEN SCHWABAUER
City Attorney

August 21, 2008

The Honorable Arnold Schwarzenegger
Governor, State of California
State Capitol Building
Sacramento, CA 94249

Dear Governor Schwarzenegger:

The Northern California Power Agency (NCPA) and its member communities across Northern California have a long tradition of leadership in the investment in renewable energy resources. We attribute that strong record of achievement to publicly owned utilities' long-held ability to retain local authority to meet the goals of the communities they serve, as well as those of both the State Legislature and your office.

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NCPA is supportive of a 33% statewide Renewable Portfolio Standard (RPS) target for all state utilities, provided that the authority over, and oversight of, the RPS program remains—as is now the practice—with the local governing boards and elected officials who are directly accountable to their residents and community. Our strong and effective record on renewable energy provides no basis for further state intrusion on local government authority. In fact, publicly owned utilities' success in growing our supplies of renewable energy and keeping greenhouse gas (GHG) emissions low is directly attributable to our ability to make locally tailored renewable energy decisions that allow communities to determine for themselves the most effective path to meeting the state's renewable energy targets that reflects the unique meteorological, geographical, and demographical aspects of our communities.

To that end, each NCPA member community has formally adopted aggressive RPS targets and in most instances is already exceeding the state average RPS numbers. Collectively, NCPA members are already above the 20% RPS threshold, and many individual NCPA member utilities already have California-eligible RPS levels that exceed a 33% threshold.

The ability of California's public power utilities, including NCPA's members, to create community-specific RPS programs has resulted in publicly owned utilities making greater progress toward achieving the state's renewable energy and GHG reduction goals—at lower cost to electricity consumers—than would be possible with a “one-size-fits-all”

mandate. Each community-owned public utility is unique, and we see this great diversity as an asset to the state's effort to maximize the use of renewable energy to help achieve the state's overall goal of reducing GHG emissions.

Northern California's public power systems and their governing boards are committed to doing their part to meet the energy needs of their communities **as** well as those of the State of California. Both collectively and individually, **NCPA's** members—through aggressive and forward-looking energy efficiency programs and new continuing investment in renewable energy sources—are leading the way in meeting the goals of AB32. We look forward to continuing our work with you and your office to achieve these goals.

Sincerely,

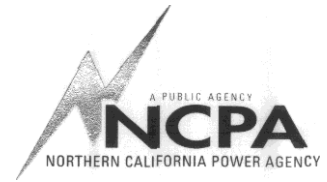
A handwritten signature in dark ink, appearing to read "JoAnne L. Mounce". The signature is fluid and cursive, with the first name "JoAnne" being more prominent than the last name "Mounce".

JoAnne L. Mounce
Mayor, City of Lodi

JM/jmp

cc: City Council
City **Manager**
Electric Utility Director

Proposed NCPA multi-signature letter from member communities to Governor Arnold Schwarzenegger:



July __, 2008

The Honorable Arnold Schwarzenegger
Governor, State of California
State Capitol Building
Sacramento, CA 94249

651 Commerce Drive
Roseville, CA 95678
(916) 781-3636
www.ncpa.com

Dear Governor Schwarzenegger.

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